

Legislative Review

A Look at Higher Education in Week 4: Jan. 31-Feb 4, 2011

House Education Discusses Non-Resident Tuition Bills

HB 1444 and **HB 1445**, were heard in House Education Feb. 2. Testimony was carried over to Feb. 7.

The SBHE opposes both bills. HB 1444 would set non-resident tuition at not less than the average cost per student. It would prohibit waivers on non-resident tuition, but exempt students covered under Minnesota reciprocity agreements from this provision. HB 1445 would require the NDUS to return to the general fund an amount equal to state per-student funding for each non-resident student, except reciprocity students.

Chancellor Bill Goetz and Paul LeBel, UND provost and vice president of academic affairs, described the positive impact of non-resident students on University System campuses and students. Benefits include creating the critical mass needed to sustain programs, particularly at the graduate level; exposure of North Dakota residents to other cultures; and the significant impact on the local economies.

University System students spoke in support of retaining out-of-state student access to higher

education in North Dakota, citing additional issues such as declining K-12 enrollment in North Dakota, the broad range of experiences of non-resident students and the added academic competitiveness.

Students who provided testimony include: Andrew Brown, NDSU and president of the North Dakota Student Association; Mary Christian, MiSU and NDSA lobbyist; Jermaine Christie, DSU; Jamie Swetalla, DSU; and Robert Vallie, NDSU.



Non-resident students contribute tremendously to our state's prosperity and to the educational value our institutions provide.

Andrew Brown,
NDSA President
HB 1444 & HB 1445

2.3.11

Chancellor's Authority/Three-Tiered Funding Bill Heard

HB 1411, was heard in House Appropriations, Education and Environment Division, Jan. 31.

The bill would remove the chancellor's authority related to governance of the 11 institutions and would require a three-tier funding methodology for research, four-year and two-year campuses.

The SBHE opposes this bill. Jon Backes, SBHE president, told the committee HB 1411 is inconsistent with the board's authority as specified in the state constitution. He said, in his opinion, the governance structure suggested by HB 1411 would be highly ineffective and inefficient because it would create a management structure in which 11 institution presidents would report to eight SBHE members.

Backes said it would be akin to having a private company with 11 operating divisions structured such that the 11 division managers would report directly to the corporate board

of directors with no president or CEO to carry out board policy and strategy.

"The ability of the 11 institutions to become more efficient, effective, affordable and accessible will be driven by a common set of goals and a coherent strategy to achieve those goals and will only be attained by a strong system and governance structure," Backes said.

The committee did not take action.

Listen to the Feb. 2, 2011, Scott Hennen Show Interview of SBHE Members Shaft and Espesgard



Grant Shaft



Duaine Espesgard

Committee Hears Vacant Employee Position Bill

HB 1236, a bill requiring state agencies and the University System to create employee committees to review vacant positions, was heard in House Government and Veterans Affairs Feb. 3.

The SBHE opposes this bill. Chancellor Bill Goetz testified that an open-position review process is in place on the campuses. He said the HB 1236 provision to provide bonuses to employees who assume additional responsibilities related to vacancies would be helpful, but a higher priority at the present time is increasing base pay to market-competitive rates.

Dave Clark, BSC executive vice president, said the college's employee recruitment and retention plan established in 2009 is working. He said the 5 percent salary increases made possible by legislative action in 2009 have contributed to a declining employee turnover rate. Clark said the bonus program would have minimal impact on retention compared to increasing base-level compensation.

The committee did not take action on the bill.

Energy Usage Database Bill Heard

SB 2296, a bill to establish an energy usage database encompassing all state buildings, was heard in Senate Political Subdivisions, Feb. 4.

The SBHE's position on this bill is neutral. Laura Glatt, NDUS vice chancellor for administrative affairs, told the committee the University System supports projects that improve energy efficiency, but asked for latitude in tracking energy use because some campus facilities currently cannot be monitored individually. She said there would be a cost associated with installing meters to do so, a cost which is not included in the fiscal note associated with SB 2296.

No committee action was taken.

Tuition and Fee Bill Heard

HB 1470, a bill returning tuition and fee-setting responsibility to the Legislative Assembly, was heard in House Education Feb. 2.

The SBHE opposes this bill. Bill Goetz, NDUS chancellor, provided an historical perspective on the board's authority to set tuition and fees. He said oversight of this fiscal process is consistent with the responsibilities of the board. Goetz explained the connectivity between tuition and fees and campus missions as well as the relationship between tuition and fees and the University System's overall budget.

Bill sponsor Rep. Mark Dosch and a representative of the North Dakota Taxpayers' Association testified in support of the bill.

The committee did not take action on the bill.

Failed Bills

HB 1061: Required the state auditor to complete performance audits within 90 days from the start of an audit

HB 1201: Would have provided sales tax exemptions for items used by a contractor for an exempt entity project

HB 1439: Would have eliminated sales tax exemptions for North Dakota state agencies and other states

SB 2209: Intended to permit the use of a design-build procurement process for projects costing \$10 million or more

Week Five Agenda

HB 1444 Mon., Feb. 7, 8:30 a.m., Pioneer Room: Sets non-resident tuition at not less than the average cost per student, furthermore, cannot waive non-resident tuition, but exempts students covered under reciprocity agreements *[Oppose]*

HB 1445 Mon., Feb. 7, 8:30 a.m., Pioneer Room: For each non-resident student, except reciprocity students, requires the NDUS to return to the general fund an amount equal to state per-student funding *[Oppose]*

SCR 4017 Mon., Feb. 7, 9 a.m., Fort Lincoln Room: Requires study allowing school officials access to juvenile court records *[Neutral]*

HB 1213 Mon., Feb. 7, 9:30 a.m., Pioneer Room: Adds a staff advisor to the SBHE *[Neutral]*

SB 2300 Wed., Feb. 9, 10 a.m., Missouri River Room: Creates a Commission on Higher Education Funding with NDUS representation and funded from NDUS budget *[Support]*

HB 1396 Fri., Feb. 11, 9:30 a.m., Fort Union Room: Allows public libraries, archives or museums to designate records as exempt at the donor's request *[Support]*